

STATE FLEXIBILITY

Response to State Concerns

H.R. 240, the Republican welfare reauthorization bill allows States increased flexibility to meet welfare work requirements.

- H.R. 240 offers more flexibility than current law in many important aspects. For example, States would receive partial credit for individuals who perform as few as 24 hours of work per week, down from 30 under current law.
- 58 percent of adults receiving cash welfare benefits funded by hard-working taxpayers in America do not participate in any work or education and training activities. It is reasonable to expect States to use federal funds and flexibility to help more welfare recipients engage in work or training in exchange for their benefits.

There is sufficient funding to operate improved programs.

- A total of \$170 billion is available in State and Federal funds for welfare and child care over the next five years to serve a welfare caseload less than half the size of that in 1996 when this funding level was first set.
- Despite claims in 1996 that funding was insufficient to meet the program's requirements, almost \$3.9 billion in TANF funds remain unspent.
- Under TANF States have been able to collectively save over \$3 billion per year by cutting back to 75% of their prior State spending levels. Federal funds have stayed at 100% of the prior rate despite huge caseload declines.

H.R. 240 would provide increased flexibility in several important areas.

- An increase of up to \$4 billion in child care funds over five years is provided.
- States could transfer up to 50% of their TANF grant to the Child Care and Development Block Grant or Social Services Block Grants (up from 30%).
- Separate, higher two-parent work requirements are eliminated.